



How to Spot Hospital Billing Mistakes

Mistakes on hospital bills are becoming a growing epidemic. Hospitals will tell you that keeping up with forty to fifty different insurance companies, along with the 800 pound gorillas of Medicaid and Medicare would cause anyone to make mistakes. Each government agency and insurance company has their own forms, a myriad of “who’s covered for what, under what circumstances” rules, and their own billing and payment systems. Add to that each patient’s deductible and co-payment arrangement for different procedures and it’s no wonder hospital mistakes are on the rise.

Not all hospitals provide you with an itemized bill. You may need to ask for one.

Nothing is really standardized when it comes to medical billing – not in hospitals, doctor’s offices, surgery suites or even pharmacies. Pat Palmer, founder of *Medical Billing Advocates of America*, estimates that she finds mistakes in about eight out of ten bills she reviews. Consumer Reports found that one in twenty consumers they surveyed has experienced billing mistakes on their hospital bills. The number is thought to be much higher since those who reported the mistakes had a reason to look: they had at least \$2,000 in out-of-pocket expenses from their hospital stay.

Some people are lulled into a false sense of security thinking that if their insurance company pays the bill, then they are free and clear. Not really. What they don’t realize is that their insurance policy does have a lifetime cap. Billing errors that are paid by their insurance chips away at that cap leading to out-of-pocket expenses. If they are ever faced with an extended hospital stay or a catastrophic illness, they’ll find themselves invading their life savings or go bankrupt. Medical debt is the second most common reason why Americans file bankruptcy and eight of ten had health insurance!



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If you suspect a mistake, first, call the hospital's billing department and explain the situation to them. If it isn't resolved over the phone, then write a letter detailing the mistake(s) and send it to the hospital. Immediately call the account representative of your insurance plan, go over the bill with them and ask where to send a copy of your letter. Always keep records of who you talked to, the date and what you discussed. Do not wait around. Many hospitals will send your unpaid bill to a collection agency within 90 days which may cost you money and will affect your credit rating.

If your hospital bill is very complicated or you feel you need help, you can find medical bill reviewer / recovery consultants who will review your bills, identify mistakes and handle the paperwork for you between the hospital and your insurer. Be aware that they are paid a percentage of the amount they saved you which can run as high as 50 percent. The *Alliance of Claims Assistance Professionals* at 877/275-8765 can give you a referral or visit them at www.claims.org as can the *Medical Billing Advocates of America* by visiting them at www.billadvocates.com or call (540) 387-5870. You can also ask an *ELDERinfo* volunteer to help you for free. They have been trained by the Delaware Insurance Department to assist older people through the maze of Medicare, Medi-gap and long term care insurance. To find a volunteer that is near you, call *ELDERinfo* at (800) 336-9500.



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Most Common Hospital Billing Mistakes

1. Charging for the day of discharge. Most insurance plans do not allow hospitals to charge for the day you leave the hospital.
2. Charging for medications you didn't receive, you refused, or charging you for the high-priced brand when your doctor prescribed a generic.
3. Charging for the same procedure or service twice, known as "double billing."
4. Charging for tests that are grouped under a broad category like *blood work* or *miscellaneous*. Always ask for tests to be itemized.
5. Charging for a service that your doctor did not order or that may have been scheduled but was later cancelled.
6. Charging for a test twice because it was administered incorrectly the first time or the first set of test results was misplaced.
7. Charging for personal items that are usually included in the room charge like those nifty slipper socks, toothbrushes, lotions and combs.
8. Charging for physician services on the hospital bill when the doctor (such as an anesthesiologist or radiologist) sends you a separate bill for the same service.
9. Charging for excessive amounts due to a clerical mistake made by entering the wrong code for a service or procedure.
10. Charging for more operating room time than was used for your surgery. Check your anesthesia record which will state when your surgery began and ended.
11. Charging for a more serious diagnostic condition than what your doctor diagnosed, resulting in more costly procedures and an inflated reimbursement rate to the hospital known as "upcoding."



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The Jane Smith Memorial Medical Center Sample Hospital Bill

Patient Name: John Doe, Jr.			Patient Account Number: 21023517-06	
Diagnosis/Surgery: 53.3 Bilateral repair of femoral hernia				
Admission Date: May 7, 2006			Discharge Date: May 8, 2006	
Mistake Key	Service Date	Description	Code	Amount
1	05/07/06	Admissions Charge	01257	\$175.00
2	05/07/06	Med/Surg Private Room	57933	\$410.00
3	05/07/06	Blood Chemistry Panel	04399	\$97.00
	05/07/06	Routine Urinalysis	17555	\$11.00
	05/07/06	Chest X-Rays/2 Views	34556	\$59.50
4	05/07/06	Chest X-Rays/2 Views	34556	\$59.50
5	05/07/06	Temazepam 30mg	07998	\$3.00
	05/07/06	Surgery 1.5 hours	07855	\$975.00
	05/07/06	Anesthesia	07856	\$500.00
	05/07/06	Path Specimen	06541	\$157.20
6	05/07/06	OR Suture Clip	07563	\$110.00
	05/07/06	Surgical Supplies	07542	\$370.00
7	05/08/06	Path Specimen	06541	\$157.20
8	05/08/06	Toiletry Kit	03127	\$20.00
9	05/08/06	Med/Surg Private Room	57933	\$410.00
Total Bill				\$3,514.40

Mistake Explanation:

1. This is an excessive charge for a routine admission and should be questioned.
2. There were no semi-private rooms available when this patient was admitted; he should not be liable for the private rate.
3. The Blood Chemistry Panel was taken at his doctor's office two days before and was paid separately.
4. The chest x-ray had to be taken twice because the first set was incorrectly performed.
5. The patient declined to take the sleeping pill (Temazepam).
6. The OR Suture Clip is included in the Surgical Supplies item.
7. The Path Specimen was billed twice – only one was taken.
8. Personal items (toiletries) are included in room charges.
9. Patient cannot be charged for room/board on the date of discharge.

This bill is completely fictitious and does not represent actual prices of procedures, services or supplies.



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